

72-708

6 Dec 1965

25X1A

SDRE (SDREC/ [redacted])

SUBJECT: Trip Report

TO: SERO

I. BACKGROUND:

A. Activity Visited:

H-H (South)

C. Persons Making Visit:

B. Date:

29-30 Nov, 1 Dec 1965

D. Persons Contacted:

[redacted]

[redacted]

Don Alexander (DOD Auditor)

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II. PURPOSE OF VISIT: To conduct a property audit to finalize the close out of 3540 and 4001.

III. DETAILS:

A. GVP listing for 3540, 4001, and 4004 will be reviewed to have the correct GICM number, up-to-date part number and annotated as to which items will be retained for transfer to 4003 and the remainder to be scrapped or returned to PEO for disposition. Completion target date: 17 Dec 1965. (SDREC Action.)

B. Special tools and test equipment acquired on 3540 and 4001 will be placed on disposition schedules and divided in two list. List one will be those items which are not recommended for retention and list two items to be retained. At the present time no tooling will be stored at the PEO. Upon receipt of list one disposition will be furnished by PEO. Completion target date: 15 Mar 1966. (SDREC Action.)

C. Project Headquarters will be advised the government property on 3540 and 4001 can be considered finalized on or about 19 Jan 1966, with exception of special tooling and test equipment. (SDREC Action.)

D. BONDED STOCK--During the provisioning conference in March 1965; one basic problem area occurred while reviewing Bonded Stock requirements for fiscal year 1966. The problem being that no positive records were being maintained on recoverable type items removed from assemblies returned on work order. Minut-Honeywell records reflected only serviceable items being removed from bonded stock but did not record what action occurred on those items removed from the major assemblies such as un-economical to repair; salvaged, or repaired and returned to bonded stock. In short, when asked by provisioning

personnel what per cent of these items removed from major assemblies were scrapped, the answer was always: "We assume 100%."

25X1A [] assured us that this matter would be corrected and that the records would reflect this information prior to the next provisioning conference on bonded stock requirements. (SERSD Info.)

25X1A E. PRICING OF PURCHASE REQUEST--Prices on purchase request number WE-66-005 varied so much from previous PR's that IM's felt mistakes had been made in the pricing formula. [] stated that prices, which are on our records now, are prices which were paid for spares procured along with the quantity required for the production effort. The larger the quantity, the smaller the cost. No production effort was in effect when fiscal year 1966 spares were procured. (SERSD Info.)

25X1A F. VARIATION OF PART NUMBERS--Variances of part numbers on paper work and the part numbers on the shipping containers have occurred frequently recently. [] stated he would advise shipping personnel to check more closely for discrepancies in the future. (SERSD Info.)

G. FOLLOW-UP ACTION--Monthly follow-up lists sent to WE in recent months have been slow in being processed and returned. The follow-up listing which is presently there will be processed as soon as possible and forwarded to PSO. All IM's should insure that suspense dates are placed on the listings. Mail time, three to five days in each direction, should be considered in placing suspense dates on PSO documents. (SERSD Action.)

H. AGE BREAKDOWN--An inventory of all AGE is in the process of being performed at present. An updated Christmas tree breakdown will be prepared and forwarded to PSO not later than 15 Feb 1966. The breakdown will reflect the configuration changes which have taken place in the field. Prior to the breakdown being released to PSO, WE personnel will visit the field locations to insure all configuration changes are reflected on the document. PSO will be notified prior to the visit in order for the IM to plan a visit to EW-3 at the same time if necessary. Although Figure 1's have never been prepared for WE, the IM's plan to prepare documentation which will give them better control over the AGE. (SERSD Action.)

I. RESIDUAL INVENTORY LIST--The residual inventory list on contracts WD-3540 and WL-4001, which were forwarded to PSO for contract termination purposes, will be re-accomplished by Minn-Honeywell. The responsibility for determination as to the items and quantities to be retained in bonded stock versus the items to be salvaged has been placed back on Minn-Honeywell's shoulders. The items which show up on the list are, for the most part, items used for in-house repair and production of the major assemblies. Two list on each contract will be run showing the two categories and

forwarded to PSO. Suspense dates on each contract have been established and are as follows:

CONTRACT NUMBERS

SUSPENSE DATE

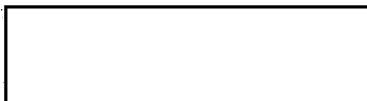
ED-3540
FL-4001
FL-4004

24 Dec 1965
14 Jan 1966
4 Feb 1966

PSO was not aware, at the time of the visit, that contract FL-4004 was also being terminated, however the same procedures are involved as that on ED-3540 and FL-4001. The contractor was asked to follow the same procedures and a suspense date was established. The contracting officer will be notified upon completion of residual stock termination. (SREC/ SERSD Action.)

J. EXHIBIT DISCREPANCIES--All discrepancies on spares and end items which occurred while attempting to verify contracts ED-3540 and FL-4001 were resolved. Either invoices were obtained or will be mailed to receiving locations for signature and forwarded to PSO. (SERSD Action.)

IV. RECOMMENDATION: PSO insure the above actions are completed.



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